

PUBLIC INFORMATION MEETING - DEER RIVER

AUGUST 13, 2008 - 6:00

STATE OF MINNESOTA

OFFICE OF ENERGY SECURITY

In the Matter of a Route Permit Application and
Certificate of Need Application for the
Bemidji - Grand Rapids 230 Kilovolt Transmission Line

PUC DOCKET NOs: TL-07-1327
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Morse Town Hall
32775 State Highway 46
Deer River, Minnesota 56633

Met, pursuant to Notice, at 6:00 in the
evening on August 13, 2008.

COURT REPORTER: Christine Munson

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1 MS. STEINHAUER: Thank you very much for
2 coming tonight. This is the public information and
3 scoping meeting for the proposed Bemidji-Grand
4 Rapids Transmission Project.

5 My name is Suzanne Steinhauer. I'm the
6 project manager for the Department of Commerce,
7 Office of Energy Security, and I'll be managing the
8 development of the whole record that the Public
9 Utilities Commission will make their decision on.

10 With me tonight, I have Ray Kirsch, in
11 the back, and he -- he's also with the OES, and a
12 public advisor for this project. And Deborah Pile,
13 and she's a supervisor for our group, the Energy
14 Facilities Permitting Group.

15 We have number of representatives from
16 the applicants here, and they'll will be talking a
17 little bit about the project.

18 We also have Barbara Britton, and she is
19 with the USDA Rural Utilities Service. And she'll
20 be speaking a little bit later. We also have Mike
21 and Meghan here, and they'll be working with us as
22 we develop the environmental review documents.

23 So, I just want to go over real -- real
24 briefly. I'll do a short presentation, a pretty
25 short presentation, on the state's permitting

1 process. And I'll hand it over to the applicants,
2 and they'll provide some information on the project.
3 And Barbara will talk a little bit about the federal
4 environmental review process. And then we'll --
5 we'll open it up to you folks.

6 And we're here for two reasons. The
7 first is, to try to answer your questions about the
8 process or the project. I realize some of you will
9 probably have questions about how -- what the actual
10 impacts will be, and we don't know those yet. So,
11 we'll try to answer your questions the best that we
12 can.

13 The other thing is, and what we're hoping
14 to receive from you, are ideas about what should be
15 studied. What does the PUC need to know about in
16 order to make the best possible decision.

17 The Minnesota Public Utilities
18 Commission, which has five members, they're
19 appointed by the governor. It's a mixture of
20 parties.

21 Permits for a high voltage are a two-part
22 process. First, they determine the need, which
23 looks at the size, type, and timing. And that's
24 covered in a white sheet in the back.

25 And the second thing they do is

1 determine -- issue a route permit. The route permit
2 will identify where the transmission line will go,
3 and any appropriate permit conditions. In order for
4 the Commission to make that decision, they have to
5 make that decision based on the information that's
6 available, and that's part of my job, to develop
7 what's called a record that they can make their
8 decision on.

9 They need to balance a number of criteria
10 that are laid out in statutes. Conservation of
11 resources, try to minimize environmental impacts,
12 minimize conflicts with human settlements and land
13 use, and ensure the state's electric energy security
14 through efficient, cost-effective power supply and
15 transmission infrastructure.

16 Based on the information that's in the
17 record, and once -- once the actual impact of
18 different proposals are, sort of, identified, the
19 permit can, and probably will, have a number of
20 conditions. The conditions can -- the conditions
21 are designed to try to minimize, probably not
22 completely eliminate, but try to minimize the human
23 and environmental impacts.

24 Those -- those conditions can cover
25 design, such as the type of poles that are used, the

1 route, the actual location of the -- of the line,
2 right-of-way preparation, construction techniques,
3 such as how you're going to access the area during
4 construction, and any other appropriate conditions
5 that the Commission believes would try to minimize
6 the environmental impact.

7 Through the environmental review process,
8 we receive participation from a number of different
9 state agencies, and they, again, help us to identify
10 the issues and provide a level of information that
11 helps us try to answer those questions and review.
12 And they will, also, often suggestion permit
13 conditions.

14 For this project, because there is a
15 federal permission required, it's also subject not
16 just to state environmental review, but also to
17 review at the federal level under the National
18 Environmental Policy Act. Because both state and
19 federal processes require an environmental review,
20 we're trying to combine that into one -- into one
21 environmental review document.

22 For the -- we will also combine the
23 environmental review required for both the Minnesota
24 need and the routing process.

25 I'm going to refer now to this, if you

1 picked up the handouts, this is on the pink handout.
2 The process generally runs like this. The applicant
3 at the beginning needs to submit a Route Permit
4 Application, they've done that, and also a
5 Certificate of Need Application. The PUC has
6 accepted those applications.

7 So, the next phase are these yellow
8 squares. We're out here providing information on
9 the project, and also asking for public input on
10 what should be considered, both the impacts and
11 additional routes or route alternatives. What
12 should be considered in the environmental review
13 document.

14 The comment period for this project ends
15 on August 29. And so I need to receive your
16 comments by then. Once we receive the comments,
17 we'll kind of synthesize and look at them.

18 The Commissioner of the Department of
19 Commerce will issue what's called a scoping
20 decision. So, that will identify the
21 alternatives -- which routes and route alternatives
22 we'll look at, and also the issues and impacts that
23 the EIS will consider.

24 Once that's prepared, we'll be out again,
25 out in the project area for a series of public

1 meeting and hearings. We'll be taking comments on
2 what's called a Draft EIS -- I'm sorry, after the
3 scope. We'll take a couple of months and we'll
4 prepare what's called an Environmental Impact
5 Statement. And that will try to answer some of
6 those questions about what the impact would be, and
7 what kind of mitigation could minimize those
8 impacts.

9 Once that's prepared, we'll be out in the
10 project area for a series of meetings and hearings.
11 Based on the comments, we'll take the comments, and
12 we will develop responses to them and then you'll
13 get to this Final EIS.

14 At that point, the state process and the
15 federal processes diverge. Each agency will issue
16 its own permit. So, we'll be together through the
17 Final EIS stage. The state will issue the route
18 permit and the need determination, and the
19 individual federal agencies will issue their
20 permits.

21 The -- the -- probably at the same time
22 that the public meetings are occurring, there will
23 be public hearings. You'll also be allowed to --
24 able to comment on that. And at that point, you can
25 identify what your preferences are.

1 And those will be presided over by an
2 administrative law judge. The administrative law
3 judge will take all the information that's in the
4 record. He'll summarize that, and he will make
5 recommendations. Those recommendations then will be
6 forwarded to the Commission. We'll sort of
7 synthesize them and then the Utilities Commission
8 will make their determination based on that.

9 We reviewed that. What's in an EIS? I
10 believe it's a green sheet that's available in the
11 back. There are a variety issues that are typically
12 covered, and are required -- we're required to
13 covered in an EIS.

14 The green sheet goes into a little bit
15 more detail. We will look at what's called human
16 settlement, and we'll look at, for instance, would
17 any of the routes require displacement of either
18 homes or businesses. What would the noise generated
19 by the project be? Natural environmental impacts to
20 vegetation, impacts to wetlands or stream crossings.

21 Economic resources. What would --
22 what -- how might the project affect it, either
23 positively or negatively. Agriculture, tourism,
24 recreation, mining and, certainly, forestry.

25 And then we'll look at alternatives to

1 the proposed projects. We will need to look at what
2 would happen -- what would it look like if the
3 project wasn't built at all. We'll look at
4 different solutions to the identified needs. Could
5 you meet the need by building more power plants? We
6 may look at that at a very general level. And then
7 we'll look at -- we may look at the alternative
8 routes or route segments.

9 And so as I mentioned before, one of the
10 things that we will like to receive from you is
11 information on what should this EIS look like. Each
12 project is going to be different, the landscape is
13 different, the issues are different.

14 So, that's one of the reasons we come out
15 here, because you guys have a better idea of what
16 the impact might be, or what you're concerned about.
17 We probably can't answer those questions tonight,
18 but we'd like to develop that information.

19 You can give the comments to us tonight
20 orally at the meeting. After the presentation,
21 we'll just kind of open it up for public comments,
22 or you can submit them to us in writing. You can
23 either turn them in at the meeting, you may have
24 something already prepared. There are comment
25 sheets available on the sign-in table.

1 You can mail them or e-mail them or fax
2 them to us. As long as we receive them by 4:00,
3 August 29, they'll be considered in developing the
4 scope of the EIS. So, you can pick up a sheet of
5 the slide presentation, and there is some
6 information on there.

7 There is -- there are two websites where
8 you can look at the documents that are in the record
9 so far. And those locations are there.

10 And here's our contact information. You
11 can call me, you can -- or my e-mail is there.
12 There's our address, there's our fax number. I'll
13 set out some business cards, and I believe all that
14 information's on the comment sheet.

15 So, at this point, I'll turn it over to
16 Bob Lindholm, he's with Minnesota Power, and he'll
17 talk a little bit about the project. Okay.

18 MR. LINDHOLM: Well, first of all I'm
19 going to see if I need the mike or not. Can you
20 hear me in the back? I prefer not using the mike.
21 But anyway, thank you, Suzanne.

22 Bob Lindholm, with Minnesota Power, based
23 out of Duluth. Minnesota Power is one of the three
24 utilities that are proposing the Bemidji project,
25 along with Minnkota Power Cooperative, based out of

1 Grand Forks, and Otter Tail Power Company, based out
2 of Fergus Falls.

3 We are proposing the 230 kV Bemidji to
4 Grand Rapids route. It is one of four CapX
5 transmission line projects that are being proposed
6 in the state. CapX, standing for capacity
7 expansion. And the Bemidji project is primarily
8 being proposed to respond to the need to maintain
9 reliable electric service in the project area, from
10 the Bemidji area on east to the Cohasset, Grand
11 Rapids area.

12 And also to respond to the continued
13 growth in this area. Average annual growth for
14 electric service, electric demand, is approximately
15 three percent. So, we see that by the year 2012,
16 that this project is needed.

17 Studies that have been conducted by the
18 utilities in the area over quite a number of years,
19 where system planners, electric -- electrical
20 engineers and such, initially looked at 30 projects
21 that could satisfy the need to provide service to
22 the area. That was soon narrowed down to 11
23 projects, then to a handful or so. And finally
24 resulted in our preferred solution, which is the
25 Bemidji project.

1 Other projects were looked at with
2 various voltages, various end points, and such. All
3 of this information is included within two
4 documents. One document is called the Alternatives
5 Evaluation Study, it was submitted back to the Rural
6 Utilities Services last summer. That document
7 basically looks at alternative analyses and also
8 documents the need for the project.

9 The other document that was submitted to
10 the RUS was called a Macro-Corridor Study. That
11 looked at, basically, alternative locations for the
12 project and documented our preferred location, which
13 is what we call the central corridor between Bemidji
14 and Boswell Energy Center.

15 Over the last year or so, we've conducted
16 two public -- a series of public meetings in the
17 area. I believe they were in June and October,
18 where we had public meetings in Cohasset, Cass --
19 Cass Lake and also in Bemidji. In addition to that,
20 we've met with cities, townships, counties, state
21 and federal agencies, the Leech Lake Band and such.

22 And I think at last count we had over a
23 hundred meetings for two primary purposes. One, to
24 inform agencies and the public about the project.
25 And equally important, to get input from

1 individuals, agencies, and such, as to how to make
2 our project the best that we could construct.

3 We also submitted two documents, as
4 Suzanne has already said, to the Public Utilities
5 Commission. The Certificate of Need, again, reviews
6 the alternatives that have been reviewed and why
7 this project is needed. And the Route Permit
8 Application includes all the alternative alignments
9 or routes that we looked at and our preferred and
10 alternate route, and why those -- why we prefer one
11 over the other.

12 I guess the last thing I should say, this
13 map over here, as well, has some alternative
14 corridors that go both north and quite a distance
15 south of the project area. It was selected --
16 suggested by agencies that we should look at those
17 alternatives as well. So, that we accomplished, and
18 we have the results within the Macro-Corridor Study.

19 So with that, I'll leave it to Barbara
20 Britton, and she'll discuss the federal process.

21 MS. BRITTON: Good afternoon, everyone.
22 I want to thank all of you for coming out and
23 spending your evening with us.

24 I'm Barbara Britton with the Rural
25 Utilities Service. And we're a federal agency that

1 finances water, wastewater, telecommunications, and
2 electricity projects in rural areas of the United
3 States. We've been around since the New Deal, so
4 we've been working in rural areas for a long time.

5 Before we can make a financing decision
6 about whether to fund a loan for any kind of
7 projects, we have to determine whether we consider
8 it a major federal undertaking under the National
9 Environment Policy Act. If we make that
10 determination, then we need to conduct an
11 environmental review for the project.

12 And this project is considered a major
13 federal undertaking, so we're conducting an
14 environmental review for the project, as Suzanne
15 mentioned, in partnership with the state of
16 Minnesota.

17 There are other federal agencies -- well,
18 not just federal agencies, involved in the project.
19 Because the proposed -- some of the proposed routes
20 for the project pass through the Leech Lake
21 Reservation, they are involved in the project as a
22 cooperating agency.

23 The project will -- has the potential for
24 having impacts to wetlands and natural waters, so
25 permits might be needed from the U.S. Army Corps of

1 Engineers.

2 The Bureau of Indian Affairs is involved
3 because there's a potential for crossing Indian
4 Trust Lands. So, they need to be consulted in the
5 process. And because much of this area is covered
6 by the Chippewa National Forrest, the Forest Service
7 is involved. And they may also have to issue a
8 permit.

9 So, all of these agencies are involved
10 and are working together with the state and are
11 involved in developing the environmental review.

12 And the Fish and Wildlife Service is not
13 a cooperating agency, but they are participating
14 with us, and their interest is primarily looking at
15 endangered species and wildlife.

16 The RUS NEPA review process -- we have a
17 set of regulations that we follow. And our -- it's
18 called the National Environmental Policy Act. We
19 cover a number -- a broad spectrum of issues in our
20 review process.

21 NEPA is primarily a process, more than
22 anything else. And it's -- the purpose of it is to
23 ensure that the public is involved and incorporating
24 environmental values into the decision making
25 projects that we finance.

1 So, the issues that are covered in our
2 review is -- includes the Endangered Species Act.
3 We look at impacts to cultural and historic
4 resources under the National Historic Preservation
5 Act. We also look at impacts to farmland under the
6 Farmland Protection Act.

7 And we also follow a number of executive
8 orders in implementing our environmental review.
9 That also -- again, to protect natural resources, to
10 protect environmental resources, to look at
11 floodplains, to protect wetlands, and to consider
12 environmental and socioeconomic -- environmental
13 justice and socioeconomic impacts.

14 When we look at projects like this, we go
15 through and make a determination of how significant
16 the impacts could be as a result of our financing
17 decision. And based on the level of impact, we
18 determine what level of environmental review we will
19 conduct.

20 This project would have normally required
21 an environmental assessment and scoping, however,
22 because we were dealing with a number of other
23 federal agencies, the project triggered the need for
24 an Environmental Impact Statement to be developed.
25 So, we needed to develop an Environmental Impact

1 Statement.

2 As Bob had mentioned a minute ago, the
3 state and federal processes for environmental
4 reviews for projects like this are a little bit
5 different. Under NEPA, we're required to look very
6 broadly, and we just wanted -- basically, four
7 macro-corridor alternatives that we're looking at
8 for the project. Through the process of public
9 scoping, we'll narrow down to what our scope will be
10 for the environmental assessment.

11 The state's process works well with this,
12 because although they look at the two route
13 alternatives in the route permit application, the
14 scope -- through the public scoping process, they
15 can look more broadly at other alternatives.

16 So, the process is similar. So, the
17 steps in the federal process are very similar to
18 what we saw for this stage. We're in the process of
19 public scoping, where we really solicit your input
20 in the process. We want to hear from you about the
21 impact that this could have. We feel that the local
22 community really knows the area and the issues, and
23 what we need from you is the public input for this
24 process.

25 We have two documents that are available

1 for public review. The first document, the
2 Alternatives Evaluation Study, looks at the electric
3 need and how best to meet the electrical need, which
4 corresponds, actually, with the Certificate of Need
5 issues that were looked at in the state process.

6 And then we have a Macro-Corridor Study,
7 which looks specifically at the transmission line
8 routes, macro-corridor alternatives, and really
9 displays the environmental issues for those
10 different corridor options.

11 Once we've completed the public scoping
12 process, we'll develop -- the state will really take
13 the lead on developing the Draft Environmental
14 Impact Statement. That will be available for public
15 review, and then, based on public comments and the
16 information that we collect during, you know --
17 during that public comment, we'll develop the Final
18 EIS.

19 And then that document will be used by
20 various state -- various federal agencies and each
21 federal agency will use that document to make a
22 Record of Decision about which -- which is the best
23 way to proceed with the project.

24 And then we'll take federal action, which
25 can either be a financing decision, such as that

1 which the U.S. would make, or whether or not to
2 issue a permit for the project.

3 And then, again, the state will use the
4 same Environmental Impact Statement document for
5 their route permits.

6 So, thank you very much. And I'll turn
7 it back over to Suzanne.

8 MS. STEINHAUER: Thank you. Can we turn
9 this off? Turn that off. Thank you.

10 We've got Mike Thomas from ERM with me.
11 I'd like to open the meeting up now for public
12 questions and comments.

13 We do have a court reporter with us, and
14 she'll be taking a transcript of the meeting. So,
15 if I can ask you to identify yourself, we'll try to
16 either bring the mike out to you, or if you'd like
17 to come up here, we do have a chair so you can sit
18 down so that everybody can hear and also so she can
19 get that. We'll also ask you to spell your name.

20 MR. KIRSCH: There were not any people
21 who signed up.

22 MS. STEINHAUER: I'm not going to go down
23 the list, because nobody said that they wanted to
24 speak. Nobody registered previously, so I'll just
25 open it up. And if you could raise your hand. And

1 we do ask that -- that you speak one at a time,
2 please.

3 MR. JERRY: I'm Paul Jerry.

4 MS. STEINHAUER: Could you spell your
5 name, please?

6 MR. JERRY: J-E-R-R-Y, is the last name.
7 Paul is the first name.

8 MR. THOMAS: I'm just going to -- what
9 I'm going to do is, I'm going to take general notes,
10 so that -- try to get the gist of your comment.
11 It's being taken word for word there.

12 MR. JERRY: Okay.

13 MR. THOMAS: So, it's more to help the
14 audience.

15 MR. JERRY: Well, I got a letter here,
16 back a few months ago, that the proposed line is
17 going to cross where I've got property up on Section
18 10. And I was just wondering if the project is
19 still going that route or if you've changed the
20 route or where they're going to go?

21 MS. STEINHAUER: Well, that's a question
22 that I can answer. The answer is, we don't know
23 yet, and the Commission won't make that
24 determination for probably another year.

25 MR. JERRY: Another year.

1 MS. STEINHAUER: Yes. So, did you have
2 any --

3 MR. JERRY: Well, my concern was, my
4 property, I've got 22 acres of open field there, and
5 I was just wondering if -- it's county land on both
6 sides.

7 MS. STEINHAUER: Um-hmm.

8 MR. JERRY: I was just wondering if the
9 project was going that route, where the poles would
10 be at, the county land or my land? I've helped
11 those power lines out at Boswell for, oh, the last,
12 well, I started in '66. So, I've known about just
13 about every power line that came out of Boswell.

14 MS. STEINHAUER: Okay. So, your concern
15 is more -- more with where that the actual line will
16 be?

17 MR. JERRY: Right, where the actual line
18 will be at. If it's going to cross on my property,
19 or is it going to be on the county land, or --
20 that's my concern.

21 MS. STEINHAUER: Okay. Thank you. We'll
22 take that down, but we won't be able to answer that
23 for awhile.

24 MR. JERRY: All right. Thank you.

25 MS. STEINHAUER: Thank you. Other

1 questions?

2 MR. HELMER: Yes.

3 MS. STEINHAUER: Would you like to sit
4 down?

5 MR. HELMER: No. I'm Terry Helmer, Grand
6 Rapids. I have property on White Oak Lake, your
7 proposed line will probably be coming right through
8 there. And I also have a large cell tower on that
9 property, actually on their property, they took
10 three acres out of mine.

11 Now, I'm not sure what you expect of us
12 here tonight. Is what we say going to have any
13 effect where you put this line or is that already
14 made up or what?

15 MS. STEINHAUER: No. The -- I'm sorry.
16 I should have explained this earlier. The state
17 requires the applicant to come in with two routes, a
18 preferred and an alternative route. Now, we're
19 coming back out to the public, and we're asking the
20 agencies, first of all, are there additional routes
21 that we should consider.

22 And then secondly, what impacts should we
23 look at before the Commission makes a final route --
24 before they decide where the route's going to go.

25 MR. HELMER: Okay. What if you decide to

1 come through my property? And I don't want you to
2 come through, you're going to cut it right in half.
3 What are my rights, or do I have any?

4 MS. STEINHAUER: If -- if your property
5 is along the route selected, there are two things --
6 I can't answer that specifically. The applicants
7 have proposed a route width of a thousand feet,
8 within that they would look at acquiring a
9 right-of-way easement of 125 feet, in most areas.

10 They've asked a wider route width in
11 order to allow them, to some extent, to accommodate
12 landowner requests. The utilities will receive
13 eminent domain for the route that is permitted.

14 MR. HELMER: There's also the gas line,
15 that's not on my property, it's just north of it a
16 few feet. What is the probability of your line
17 following the gas line?

18 MS. STEINHAUER: Two of the -- can you
19 point out where, or can you show us where the line
20 is?

21 MR. HELMER: Well, your line is right --
22 well, I can't quite make it out here, but my
23 property would be right in this area here
24 (indicating). I don't know, this is blue. What is
25 the blue?

1 MS. STEINHAUER: The red line is their
2 preferred route, the blue line is the alternative
3 route.

4 MR. HELMER: That doesn't make much
5 difference. Okay. Well, anyhow, the gas line comes
6 right through here, also (indicating). Which, if
7 you put your line on there, that would be just fine.

8 MS. STEINHAUER: Okay. I'll let the
9 applicants -- this gentleman wants to know if it's
10 possible to put the transmission line on the gas
11 line.

12 MR. LINDHOLM: Yeah. We spoke and indeed
13 his property butts up against White Oak Lake, and
14 the preferred route would go across his property, or
15 does go across his property, the alternative does
16 not.

17 The other issue that's in play there is a
18 huge guide tower, that's partially on your property,
19 partially on Lot 5. Again, it depends on which
20 route is selected, and it would either be on Lot 4,
21 your property, or Lot 5, the neighbor's property.
22 So, it -- I can't say beyond that, but we will have
23 to work around there.

24 MS. STEINHAUER: I think one of the other
25 questions he had was could it be actually on the gas

1 line?

2 Is that a question that you had?

3 MR. HELMER: Well, yes, it is. I'm just
4 wondering if you couldn't put your line alongside
5 the gas line. It's already there.

6 MS. STEINHAUER: Along --

7 MR. HELMER: And they've got a large
8 corridor going right through.

9 MR. LINDHOLM: Yeah. Then, the other
10 part, too, is it's a unique situation in that in
11 most cases the intended right-of-way would be
12 adjacent to either the Great Lakes Gas, or in some
13 instances, the Enbridge pipeline, but it happens to
14 be that the guide tower, the gas line runs right
15 underneath the guide.

16 And we cannot put the power line where
17 that is, so we would have to do a jog. So, that's a
18 unique situation in which, in something like that,
19 we would have to work with the landowner and deviate
20 from the gas or the -- the Enbridge pipeline. And
21 that's what we would work with our engineers and
22 land people on.

23 MR. HELMER: One more question. Am I
24 going to be involved in this, so that I would have
25 something to say about where this power line is

1 going to go, whether it comes across my property, or
2 whatever there?

3 MS. STEINHAUER: Well --

4 MR. HELMER: Or are you guys going to
5 make up your minds about it and that's that?

6 MS. STEINHAUER: We'll -- we'll be back
7 out here once we determine which routes we're going
8 to look at and what we're going to study.

9 We will be back out here for public
10 comments and hearings, and we'll be taking comments.
11 I would fully expect that that line, at that time,
12 that some people would prefer one route, and some
13 people would prefer another.

14 So, that does get factored into the final
15 decision, but if the line is permitted, it will
16 affect some people, and some people will not be
17 affected.

18 MR. HELMER: I understand that.

19 MS. STEINHAUER: So, I -- you will have
20 an opportunity to comment. And I guess the best I
21 can say is, to the extent that we can identify
22 particular issues, we'll try to -- the state will
23 try to address that in the study -- in what we
24 study. And generally the applicants will try to
25 work with you, if you're on the route selected, to

1 accommodate some of your concerns.

2 MR. HELMER: Well, what's -- what's the
3 next step in this, then? I mean, where -- how do we
4 get involved in where that line goes, or what? Are
5 we talking years from now, or --

6 MS. STEINHAUER: The -- the next step is,
7 we'll take this information that we're getting at
8 the public meetings, and we'll issue a decision
9 about what -- which routes we're going to look at
10 and what we're going to study. We would like to
11 have your comments on -- on what we should look at.

12 We'll prepare a Draft EIS, and we will be
13 back out here and taking comments on that. At that
14 point, we will have more answers about what the
15 potential impact would be, and ways that they might
16 be able to be reduced.

17 MR. HELMER: I have some other questions,
18 but I wouldn't bother you with them right now.

19 MS. STEINHAUER: Okay. Well, we'll be
20 around. I think a number of people will be around
21 later, if you'd like to talk to us. Okay?

22 MR. HELMER: I'll be back.

23 MS. STEINHAUER: Okay. Thank you. And
24 my card is over there.

25 MR. BERBEE: What do these, the

1 environmental people, how much do they have to say
2 about this? Like, you talk about wetlands and
3 higher grounds. I suppose they want you to go
4 through the higher, prime land, that's worth the
5 money, so they could save their swampland.

6 MS. STEINHAUER: Okay. I'm sorry. Could
7 you identify yourself for the court reporter?

8 MR. BERBEE: George Berbee.

9 COURT REPORTER: Could you spell that?

10 MR. BERBEE: T-H-A-T. That's what you
11 wanted me to spell, that. Oh, my name. Yeah,
12 Berbee, B-E-R-B-E-E.

13 MS. STEINHAUER: Okay. So -- so, the
14 question was --

15 MR. THOMAS: What are the concerns of
16 other environmental groups?

17 MR. BERBEE: Yeah. Do they have much to
18 say in permitting as far as they might prefer to go
19 here or there or whatever?

20 MS. STEINHAUER: We do take -- we'll --
21 we do meet with the agencies. So, state and federal
22 agencies, they -- they do have some -- they do have
23 comments on routes that they'd like to see. At this
24 point, I don't know that anybody has a preference.
25 But --

1 MR. BERBEE: I'm just wondering how much
2 clout they have as far as, you know, they sometimes
3 have a lot to say, and expect people -- it affects
4 their property value a lot --

5 MS. STEINHAUER: Yes.

6 MR. BERBEE: -- by taking it through the
7 high land and with the homes and so on.

8 MS. STEINHAUER: Yes. They -- they are
9 very good at getting their opinions in the record,
10 and we're asking for -- for your comments to try to
11 get those in the record, also. The final decision
12 has to balance that. The environmental and the
13 human impact. I don't know if I can --

14 MR. BERBEE: And who has the final say,
15 then?

16 MS. STEINHAUER: The final decision is
17 the Public Utilities Commission, and there are five
18 Commissioners.

19 Does that answer your question?

20 MR. BERBEE: Not really, but I was just
21 curious.

22 MS. STEINHAUER: So, is there some -- I
23 can't say there is a weighting system. I'm sorry.

24 MR. HANSEN: I'm Norley Hansen. I have
25 some property along Highway 2 between here and

1 Cohasset, and if your alternative route would impact
2 my property, I have a real concern about the
3 impacting of my property, because I already have
4 many gas lines and oil lines there. Pretty quick I
5 will not have any property that I would be able to
6 use, other than I would have the privilege of paying
7 the taxes on that property.

8 And, you know, I think that we're going
9 to have to be careful here, so that we are not going
10 to have people with property that you don't really
11 have any use with. And I'm not sure what the answer
12 is, but it does put a hardship on a person. The
13 property value, absolutely, is going to be down in
14 the pits, if that would happen. Thank you.

15 MS. STEINHAUER: Thank you. So, your
16 concern is not -- not just the transmission line,
17 but the transmission line -- having that line on top
18 of the other -- the other existing facilities there
19 would limit the use of your property.

20 MR. HANSEN: Right. And then now my
21 understanding is that Enbridge has a couple of the
22 lines on my property that have -- they are having an
23 undefined easement there. So, my understanding is
24 that they can go anyplace they want with the --
25 another line.

1 MS. STEINHAUER: Deb, he's concerned that
2 Enbridge has an undefined easement.

3 MS. PILE: I'm Deb Pile, and I'm with the
4 Department of Commerce. You're referring to some of
5 the projects that are being proposed through the
6 nearby Enbridge pipeline. And, indeed, as I
7 understand it, some of Enbridge's easements across
8 properties that they might have already in place are
9 undefined. Some are defined.

10 However, the -- if they get a permit from
11 the Public Utilities Commission, it will
12 specifically specify how much right-of-way they are
13 allowed to use for the two new pipelines. That's
14 really a distinct issue from what kind of easement
15 agreement they might have with a property owner. It
16 will specifically say how many feet, and it will be
17 indicating where, within what kind of route.

18 MR. NOVICKI: What agency did you say
19 that were from?

20 MS. PILE: The Public Utilities
21 Commission, it's the same -- the same Commission
22 that would be dealing with the permit for a power
23 line.

24 MS. STEINHAUER: Excuse me. Could you
25 identify yourself?

1 MR. NOVICKI: Joe Novicki, N-O-V-I-C-K-I.

2 MS. STEINHAUER: Thank you.

3 MR. BERBEE: She was talking, who will
4 have the say as far as if they have an open
5 easement? Do the pipelines have to define their's
6 if you put a line in next to it or something, or
7 what?

8 MS. PILE: What I was referring to was
9 the permit application, the permit that's on --
10 that's being applied for by Enbridge for two
11 pipelines. And what I was saying is that the Public
12 Utilities Commission is considering that right now,
13 and what they will -- if they issue a permit, what
14 they would be describing is the amount of
15 right-of-way that Enbridge would be allowed to use
16 for putting in the two pipelines.

17 They then come to a property owner to
18 work out an easement agreement. The agreement that
19 they work out with you is -- is really a separate
20 issue, but they can only use the amount of
21 right-of-way that they have a permit to use.

22 MR. BERBEE: So, regardless if they have
23 an open easement or not, they can be limited by the
24 Public Utilities Commission?

25 MS. PILE: They're limited, in that they

1 have to get a permit to actually construct a
2 pipeline.

3 MR. BERBEE: I know that, but --

4 MS. PILE: And it specifies a specific
5 amount of permanent right-of-way and temporary
6 workspace that can be used.

7 MR. JERRY: I know an instance that they
8 were on this farm, and they were -- they were about
9 double what they were supposed to be on his
10 property. The fellow that, it was his brother, Pete
11 Berbee, he's dead now, but he had an issue with them
12 for many years on this.

13 They came out and they started digging
14 and they probably had 75 feet, and when they were
15 done, they had about 150, 200 feet -- that field was
16 all dug up. And I wasn't very happy with them when
17 I went out there. So, that's the issue that I have
18 with as far as the pipelines.

19 MS. STEINHAUER: Any utility that -- any
20 utility that requests a permit from the PUC, the
21 actual right-of-way will be in the permit. I can't
22 speak to what may have happened in the past.

23 MR. JERRY: Yeah. We called the
24 sheriff's department, and they wouldn't come out
25 there and do anything about it.

1 MR. HELMER: Is there a pipeline going
2 through there?

3 MS. STEINHAUER: I'm sorry.

4 MR. HELMER: Is there a pipeline going
5 through there, also?

6 MS. STEINHAUER: I'm sorry.

7 MR. HELMER: You're proposing some new
8 pipelines through there?

9 MR. BERBEE: No. Enbridge is. Enbridge.

10 MS. STEINHAUER: Enbridge has proposed
11 two new pipelines. And one of the applicants'
12 routes is adjacent to the proposed area.

13 MR. HELMER: Through this line, here?

14 MS. STEINHAUER: In the same area.

15 Yes.

16 MS. BENSON: My name is Denise Benson,
17 and I actually have several questions. One of which
18 is, is the right-of-way going to be purchased or
19 leased from the property owners?

20 MS. STEINHAUER: I'll let Bob speak,
21 because that's something that the utilities --

22 MR. LINDHOLM: Yeah. The answer to that
23 question is that we call for easements. So, it's
24 more like a lease. It would be a permanent
25 easement, a one-time payment for the use of 125 feet

1 of land for operating a transmission line.

2 MS. BENSON: So, you give me a one-time
3 payment and I pay taxes on the property for the rest
4 of the time I own it? And how is that value
5 determined?

6 MR. LINDHOLM: The -- the utilities will
7 use the best available information to assess -- to
8 determine the property value, tax records,
9 appraisals, or whatever, and we will use that value
10 for the easement. And it would be based upon the
11 acres and what the property is valued at.

12 MS. BENSON: And if you clear lumber,
13 does the owner, the landowner, get compensated in
14 some fashion for the value of lumber cleared?

15 MR. LINDHOLM: Yes. The trees, if the
16 property has trees on it, that would be a part of
17 the evaluation of the property.

18 MS. BENSON: Okay. Any compensation for
19 decrease in property values? If you own a 40, and
20 the power line is going through, when you go to sell
21 that 40, with a power line across it, it's not going
22 to be worth what it is without a power line.

23 MR. LINDHOLM: Well, generally the
24 easement should address the total evaluation of the
25 property losses. And, Jim or Bob, that is out of my

1 area of expertise here. If you wanted to address
2 that additionally, as far as the evaluation would be
3 with a power line on the property. Have at it.

4 MR. METCALF: Jim Metcalf, Otter Tail
5 Power. We've done a lot of studies on evaluation of
6 property, and it depends on what you read, some
7 studies says it doesn't do anything, some studies
8 say it decreases. But, it's a baseline to say we've
9 done studies, and it depends on which study you read
10 if it devalues properties at all.

11 MS. BENSON: What sort of timeframe are
12 we looking at for the construction of this line?

13 MS. STEINHAUER: The -- we anticipate the
14 earliest, if the PUC permits the line, that would be
15 sometime toward the end of 2009. So, the actual
16 construction schedule would be -- would start, when,
17 Bob?

18 MR. LINDHOLM: Yeah. Then the next step
19 after actually all the permits are received, and
20 Barbara touched on this a bit, in addition to the
21 PUC route permit, we need to get additional permits,
22 licences and such from like the DNR, Corps of
23 Engineers, Chippewa National Forest and such. That
24 is going to take us through 2009, into 2010.

25 The next major activity, then, is

1 negotiation of easements, which we're talking about.
2 So, that would put the start of construction into
3 2010. With the goal of having this project in
4 service for winter of 2011 and 2012.

5 MS. BENSON: And are any current lines,
6 with the construction of this big line going
7 through, are any current existing lines going to be
8 abandoned?

9 MR. LINDHOLM: That's a good question.
10 There are, in this area right now out of the Boswell
11 Energy Center going up towards Deer River and to the
12 Enbridge pump, there is a 115,000-volt transmission
13 line.

14 We have provided environmental data in
15 the Route Permit Application, which looked at two
16 different designs. One, building a new line
17 adjacent to it, expanding that right-of-way, and
18 having them both in service.

19 Another option would be to build a new
20 line, called a double-circuit line. It would
21 probably be a concrete foundation, steel pole,
22 taller structure, which would be capable of having
23 the existing line conductors on it for wires, plus
24 the new project on it. Then after that line is in
25 service , then we can dismantle the existing line.

1 There are two other areas near Bena, and
2 also in the western part of the project, that we may
3 do that same thing. But again, those are two
4 alternatives, and the state will give some guidance
5 on which one to follow.

6 MS. BENSON: Okay. Thank you.

7 MS. STEINHAUER: Yes.

8 MR. HANSEN: Norley Hansen, again. You,
9 know, I guess, expanding a little bit on what she
10 had to ask, you know, the questions that I have is,
11 now, when you do negotiate with property owners, how
12 are you going to do that? Now, are we going to be
13 able to know what the person next -- on the next
14 parcel would be settling for, or is this going to be
15 a deep, dark secret? Like a lot of the energy
16 companies have this, you know -- it's held that way.
17 It's hard to find out what they're paying, you know,
18 and knowing the companies, they like to lowball on
19 anything that they can.

20 MS. STEINHAUER: I'm going to have to ask
21 the company to answer your question. The state
22 doesn't negotiate the easements.

23 MR. METCALF: Jim Metcalf, Otter Tail
24 Power, again. Negotiations are done privately with
25 the individuals, the landowner. We do not disclose

1 what your neighbor got, but it is a fair market
2 value that is based on current land sales in the
3 area. And everybody is going to get a fair price.
4 Typically, everybody gets the same price on most
5 major projects, per acre that is encumbered.

6 MR. HANSEN: Why is that not public
7 record?

8 MR. METCALF: As far as what they're
9 getting?

10 MR. HANSEN: Right.

11 MR. METCALF: That's a private issue
12 between landowners and what they're getting. Some
13 landowners might have more tree issues, land
14 encumbered, it's the same -- same price for
15 easement -- easement payments, but they might get
16 more payments for tree clearing, or in some
17 instances, you might have to have anchors.

18 This project is not proposing anchors on
19 the structures, but in some instances, the project
20 is likely more -- payment for anchors. That's --
21 does that answer your question?

22 MR. HANSEN: No. Because you can state
23 the -- the -- what price is, and how you arrived at
24 that. You know, that should be public record.

25 MR. BERBEE: Well, you said you pay

1 everybody the same.

2 MR. METCALF: No, per -- if this project
3 has determined that the price per acre -- let's
4 throw a number out there, it's \$4,000 an acre that
5 this line going for in this area. If that's the
6 price, we'll negotiate with the landowner for
7 encumbering so many acres, and if that acreage is
8 the same -- the landowner, you're going to get the
9 exact same price per acre of land encumbered.

10 MR. JERRY: Well, what if the landowner
11 don't want you crossing his property?

12 MR. METCALF: That's negotiated between
13 the landowner and the utilities. Like Suzanne said,
14 if we can't negotiate, if all negotiations -- if you
15 can't settle in your negotiations, we do have the
16 right to eminent domain once the permit is issued.

17 MS. STEINHAUER: Yes.

18 MS. BENSON: Denise Benson, again. On
19 that sort of an issue, say you're going across
20 someone's property and it ends up being that there
21 isn't any useable value to whatever property you're
22 going across, do you then buy that person's property
23 entirely and find them another place?

24 I went through this with a road, at one
25 point. I bought a house, and six months later I

1 found out they planned a road to go through it. So,
2 someone was assigned to help me find a comparable
3 place to live. Is that something that might happen
4 in this -- if you thought maybe that some of your
5 land -- if the lines went across there, it wouldn't
6 be worth having anymore. So, do you find a
7 comparable property for them, then?

8 MS. STEINHAUER: For the route that's
9 permitted, the utilities do have the right of
10 eminent domain. Before they can use that, they need
11 to negotiate with the landowner.

12 But also in statute, I believe, there is
13 a provision for transmission lines that are greater
14 than 2,000 volts, and this one is, that if the
15 landowner and the utilities are unable to reach an
16 agreement and it gets to condemnation, then the
17 landowner could ask the utilities to buy the
18 property. I don't believe there's a provision for
19 actually working to find another property.

20 MS. BENSON: In my particular case, with
21 the road going through, they actually had to pay for
22 the mover and the whole nine yards, because they
23 condemned it. They split my property right down the
24 middle, and there it went. It went right down the
25 middle. It went right down -- one lane went through

1 the living room, and the other one went through the
2 bedroom.

3 MS. STEINHAUER: It's probably -- I can't
4 answer that. Generally, I'm sure it's a different
5 statute for roads than for -- for transmission
6 lines, and if it got to that point -- I'm not aware
7 of cases where it has. So, I can't really say what
8 would happen. I'm sorry.

9 MR. KRAVA: Can I just make one comment,
10 to maybe clarify to this lady, here? My name is Bob
11 Krava, with Otter Tail Power Company. K-R-A-V-A.

12 Highways, if there are federal or state
13 dollars for roads involved, they have a relocation
14 act that comes into play. That is not the case for
15 utilities. They are not mandated. There are other
16 landowner protection laws in Minnesota. There is,
17 you know, a buy the farm provision, and people that
18 feel that the negotiated offer isn't fair probably
19 would want to talk, you know, to their legal people,
20 and get some advice from them as to, you know, how
21 to proceed.

22 MS. STEINHAUER: Yes.

23 MR. HELMER: I want to get back to those
24 two gas lines somebody's proposing.

25 MS. STEINHAUER: Enbridge has proposed

1 two new gas lines.

2 MS. PILE: Deb Pile, again, with the
3 Department of Commerce. Enbridge Energy has
4 proposed several lines, and the two here, one of the
5 Alberta Clipper lines comes from Canada down across
6 North Dakota through Minnesota through Clearbrook
7 and then on to Superior, Wisconsin.

8 And then they have another line that they
9 proposed that would come north through this area to
10 Clearbrook. It's to take a -- a more diluted
11 product back up to Canada, the crude that they have
12 up there is very thick, thick crude, and they need
13 to dilute it in order to get the flow down through
14 the pipeline.

15 The applications were filed with the
16 Public Utilities Commission I think in January of
17 '07. And we did -- we were up in the area, had
18 public meetings, one in each county, across the
19 whole of the route. It's taxing my memory here, I
20 was at every one of them, but it was in early '07.
21 I think perhaps -- the weather was good, so it must
22 have been spring.

23 And then we did have hearings, we had
24 hearings through part of the line through the --
25 coming down through Clearbrook, and those were

1 through last December. We then had hearings through
2 this area in, I believe it was January or February.

3 And that was with a hearing examiner, and
4 they took public testimony, ideas about problems
5 people had with what was proposed, alternatives to
6 the routes. Part of that process included, after
7 our first meetings, asking people what alternatives
8 they wanted to have taken -- to be considered at the
9 hearing. And there, I think, through this stretch,
10 I think about 15 or 16 distinct alternatives, route
11 segments, that were carried through the hearing.

12 The record for that hearing ended in
13 June, I believe, and we, just a couple weeks ago,
14 got the report back from the hearing examiner. My
15 staff is now looking through that report, and I
16 would anticipate that the Public Utilities
17 Commission will consider those, the route, for those
18 two lines toward the end of September.

19 MR. HELMER: Is this gas or oil?

20 MS. PILE: Oil, crude oil pipeline.

21 MR. HELMER: You're not going to follow
22 this transmission with your oil lines?

23 MS. PILE: The crude oil pipelines are
24 proposed to be adjacent to Enbridge's current lines.
25 So, if you have Enbridge pipelines, there are a lot

1 other pipelines throughout the area, if you have
2 Enbridge pipelines going in your property, or if you
3 know where those are in this area, what they are
4 proposing is a centrally -- next to their existing
5 pipeline.

6 It might be to the north, it might be to
7 the south, depending on the location. And some of
8 these alternatives do take it away a bit. There are
9 some situations where because of a stream crossing
10 and wanting a better angle for crossing or because
11 of someone's building, farmsteads, that sort of
12 thing, where there is alternatives.

13 MR. HELMER: Okay. What pipeline goes
14 through Zemple? Is that the one you're talking
15 about?

16 MR. BERBEE: They all do. All the gas
17 and all the others go through Zemple.

18 MR. HELMER: So, you're going to put two
19 more lines through there?

20 MR. PILE: That's what Enbridge just
21 proposed.

22 MR. HELMER: Is that going to involve
23 taking more property?

24 MS. PILE: As far as more property, yes.
25 That will, if they get approval, I believe they're

1 asking for a 25-foot separation from the existing
2 pipeline and the pipeline. Another 25-foot at the
3 second pipeline, and then another 25 feet. And
4 there would be some temporary workspace, as well,
5 they've requested for that project.

6 MR. BERBEE: You've got to collect a lot
7 money from those outfits, because your property
8 wouldn't be worth much when they're done.

9 MS. STEINHAUER: There are some people
10 that we haven't heard from tonight. Are there any
11 additional comments or questions or issues that
12 you'd like us to look at? Or other ways to get
13 through here?

14 MR. EVERS: Bill Evers, and I'm just
15 wondering if -- if the energy companies have
16 considered any of health issues that are -- that are
17 being studied and have been studied for quite a few
18 years?

19 Within 200 yards of the existing lines
20 there are more than 70 percent of health issues,
21 including cancers. And within 600 yards, there is a
22 20 percent increase in health issues with cancers.
23 Do any of these companies consider these health
24 issues concerning people when they run by the houses
25 and stuff?

1 Is there some alternatives they can take
2 and go at least far enough away where -- so there
3 won't be any problems with children getting leukemia
4 and things like this? That's my -- my main concern,
5 other than I do have property right on the line,
6 too.

7 MS. STEINHAUER: So, your concern is
8 mostly with health issues, and particularly with
9 cancer?

10 MR. EVERS: Yes.

11 MS. STEINHAUER: Based on what you've
12 heard that cancer may be a factor with the
13 transmission line?

14 MR. EVERS: That's right.

15 MS. STEINHAUER: That's an issue that we
16 do look at, and we defiantly will be covering in the
17 Environmental Impact Statement.

18 Are there any other questions or
19 comments?

20 MR. HELMER: When's the next meeting?

21 MS. STEINHAUER: We'll be up here
22 again -- our next meeting is -- starts at 1:00
23 tomorrow in Bemidji. We are having a series of
24 scoping meetings. So, Bemidji tomorrow and then
25 Walker on Friday.

1 Then we'll take the information back,
2 we'll look at what -- what the EIS has studied,
3 we'll prepare a Draft EIS, and then we'll be back up
4 in the project area. I don't know exactly where
5 those meetings will be or when, but right now I
6 anticipate spring of '09.

7 MR. HELMER: Okay.

8 MR. THOMAS: If there aren't any other
9 questions, I'll be around, and we'll have the sheets
10 on the wall. So, if for any reason I may have
11 misinterpreted what your comment or concern or
12 question was, I'll -- I can help make those
13 adjustments or changes. And if you think of
14 anything else, we will also continue to take some
15 notes while we're, you know, still here.

16 MS. STEINHAUER: So, as Mike said, we'll
17 be around for a while. So, if you have questions,
18 we can try to answer those and make note of those.

19 We are also accepting written comments
20 and those need to be to me by 4:00, on Friday,
21 August 29. So, if you think of something after you
22 leave, and I'm one of those people who always does,
23 please send them in.

24 You can fill out the comment form and
25 just tape it shut and mail it in. You can e-mail,

1 you could fax it in. It doesn't have to be on the
2 form, you can send an e-mail, you can write a
3 letter. We'll take those, and those are all a part
4 of the record that we look at.

5 I don't want to keep you here all night,
6 I want to be respectful of your time. So, if there
7 are no other questions, we'll adjourn the meeting,
8 but as I said, there will be people around for some
9 time afterward.

10 Thank you very much. I appreciate you
11 coming out and your comments and questions. Thank
12 you.

13 (Hearing was adjourned at 7:09.)
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25

1 STATE OF MINNESOTA)
2) ss.
3 COUNTY OF HENNEPIN)
4
5

6 REPORTER'S CERTIFICATE
7
8

9 I, Christine Munson, do hereby
10 certify that the above and foregoing transcript,
11 consisting of the preceding 50 pages is a
12 correct transcript of my stenographic notes, and is
13 a full, true and complete transcript of the
14 proceedings to the best of my ability.

15 Dated August 25, 2008.
16
17
18
19

20 _____
21 CHRISTINE MUNSON
22 Court Reporter
23
24
25